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ELLSWORTH C. ALVORD (1964)

RECORDED AND INDEXED 26318-C

MAY 01 '06

4:39 PM

SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

May 1, 2006

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement, dated as of May 1, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Restated Lease Supplement No. 2 being filed with the Board under Recordation Number 26318.

The names and addresses of the parties to the enclosed document are:

Secured Party: Bayerische Landesbank, Cayman Islands
Branch
560 Lexington Avenue
New York, New York 10022

Debtor: Siemens Financial Services, Inc.
170 Wood Avenue South
Iselin, New Jersey 08830

Mr. Vernon A. Williams
May 2, 2006
Page 2

A description of the railroad equipment covered by the enclosed document is:

942 Mechanized Rapid Discharge® V Coal railcars within the two series JHMX 99001 – JHMX 99840 and JHMX 991321 – JHMX 991440 as more particularly set forth in the equipment schedule attached to the Memorandum of Security Agreement Supplement No. 1.

A short summary of the document to appear in the index is:

Memorandum of Security Agreement.

Also enclosed is a check in the amount of \$34.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/sem
Enclosures

MAY 01 '06

4-39 PM

MEMORANDUM OF SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

Memorandum of Security Agreement, made and entered into as of May 1, 2006 (this "Memorandum"), by and between **SIEMENS FINANCIAL SERVICES, INC.**, a Delaware corporation ("SFS") and **BAYERISCHE LANDESBANK, CAYMAN ISLANDS BRANCH** ("BayernLB").

WITNESSETH

The undersigned have entered into that certain Security Agreement dated as of May 1, 2006 (the "Security Agreement"), pursuant to which SFS has granted a security interest to BayernLB in order to secure certain obligations of SFS as described in the Security Agreement.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

Attest:

SIEMENS FINANCIAL SERVICES, INC.

By:

Carol WaltersName: CAROL WALTERS
Title: VP Operations

By:

Roland Chalons-Brune
Name: Roland Chalons-Brune
Title: CEO

By:

Carol WaltersName: CAROL WALTERS
Title: VP Operations

By:

Robert J. Knapp
Name: ROBERT J. KNAPP
Title: SR. VP & CFO

Attest:

BAYERISCHE LANDESBANK,
CAYMAN ISLANDS BRANCH

By:

Name:
Title:

By:

Name:
Title:

By:

Name:
Title:

By:

Name:
Title:

MEMORANDUM OF SECURITY AGREEMENT

Memorandum of Security Agreement, made and entered into as of May 1, 2006 (this "Memorandum"), by and between SIEMENS FINANCIAL SERVICES, INC., a Delaware corporation ("SFS") and BAYERISCHE LANDESBANK, CAYMAN ISLANDS BRANCH ("BayernLB").

WITNESSETH

The undersigned have entered into that certain Security Agreement dated as of May 1, 2006 (the "Security Agreement"), pursuant to which SFS has granted a security interest to BayernLB in order to secure certain obligations of SFS as described in the Security Agreement.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

Attest:

SIEMENS FINANCIAL SERVICES, INC.

By: _____

Name:
Title:

By: _____

Name:
Title:

By: _____

Name:
Title:

By: _____

Name:
Title:

Attest:

BAYERISCHE LANDESBANK,
CAYMAN ISLANDS BRANCH

By: _____

Name:
Title:

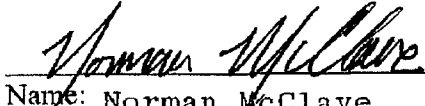
By: _____


Name: John Gregory
Title: Vice President

By: _____

Name:
Title:

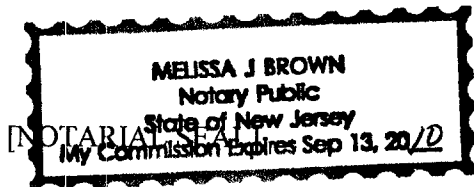
By: _____


Name: Norman McClave
Title: First Vice President

STATE OF *New Jersey*

COUNTY OF *Middlesex*:

On this *28th* day of *April*, 2006, before me personally appeared *Roland Brown* ^{*Civilians*} to me personally known, who being by me duly sworn, says [s]he is the *CEO* of SIEMENS FINANCIAL SERVICES, INC., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and [s]he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

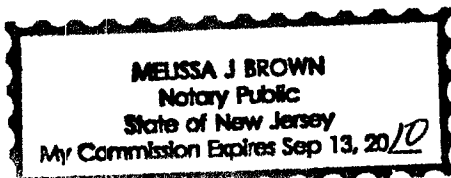
My Commission Expires: *9.13.2010*

STATE OF *New Jersey*

COUNTY OF *Middlesex*:

On this *28th* day of *April*, 2006, before me personally appeared *Robert J. Krapp* to me personally known, who being by me duly sworn, says [s]he is the *Sr VP & CFO* of SIEMENS FINANCIAL SERVICES, INC., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and [s]he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]



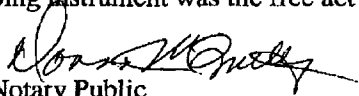
Notary Public

My Commission Expires: *9.13.2010*

STATE OF NEW YORK

COUNTY OF NEW YORK , ss:

On this 1st day of May, 2006, before me personally appeared John Gregory, to me personally known, who being by me duly sworn, says he is the Vice President of BAYERISCHE LANDESBANK, CAYMAN ISLANDS BRANCH, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

My Commission Expires:

DONNA M. QUILTY
Notary Public, State of New York
No. 30-5036038
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires November 14, 2006

STATE OF NEW YORK

COUNTY OF NEW YORK , ss:

On this 1st day of May, 2006, before me personally appeared Norman McClave, to me personally known, who being by me duly sworn, says he is the First Vice President of BAYERISCHE LANDESBANK, CAYMAN ISLANDS BRANCH, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

My Commission Expires:

DONNA M. QUILTY
Notary Public, State of New York
No. 30-5036038
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires November 14, 2006

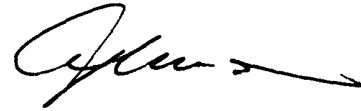
MEMORANDUM OF SECURITY AGREEMENT

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

5/1/06



Robert W. Alvord